



VELFERÐARRÁÐUNEYTIÐ

Ministry of Welfare

Act on information and consultation in undertakings, No. 151/2006, as amended by Act No. 88/2008.

Article 1

Scope.

This Act shall apply to undertakings in which an average of at least 50 persons is employed on the domestic labour market.

The Minister may issue a regulation containing further provisions on the calculation of the number of employees in undertakings under the first paragraph of this Article.

This Act shall not apply to the crews of ocean-going vessels.

Article 2

Aim.

The aim of this Act is to guarantee the right of employees to information and consultation in undertakings and to encourage employees' representatives and undertakings to work in a spirit of cooperation when structuring and implementing their mechanisms for information and consultation, taking the interests of both parties into account.

Article 3

Definitions.

The following terms are defined as follows for the purposes of this Act:

1. *Employees' representatives:* Trade union shop stewards and/or collective representatives of those employees of the relevant undertaking who do not have a shop steward, unless other provisions are made in collective agreements or another arrangement has been agreed within the undertaking.
2. *Undertakings:* Companies, individuals and public bodies which engage in economic activity, irrespective of whether or not this is done for gain.
3. *Consultation:* Discussion and exchange of views between employees' representatives and the employer.
4. *Information:* Materials and explanations transmitted by the employer to the employees' representatives in order to enable them to acquaint themselves with the subject matter and form an opinion about it.

Article 4

Information.

Employers shall provide the employees' representatives with information concerning the following:

- a. recent developments and the outlook concerning the undertaking's activities and financial standing,
- b. the situation, structure and outlook regarding employment in the undertaking, and all foreseeable measures, particularly where a threat to job security is involved,
- c. decisions that are likely to lead to substantial changes in the structure of work or employees' employment contracts, including decisions that are based on the provisions of the Changes of Ownership of Undertakings Act and the Collective Redundancies Act.

Information under the first paragraph of this Article shall be provided in such a way that its timing, method of presentation and content is best designed to enable the employees' representatives to begin an appropriate examination and to prepare consultation if necessary.

Article 5

Consultation.

Following on the providing of information under items *b* and *c* of the first paragraph of Article 4, the employees' representatives shall be given an opportunity for consultation by meeting the employer and obtaining a response to any opinion that they may express. Furthermore, the employer shall explain to the employees' representatives his reasons for that response.

Consultation as provided for under the first paragraph of this Article shall be carried out in such a way as to ensure appropriate timing, method and content in each individual case. Consultation shall take place on the basis of the information supplied by the employer (*cf.* Article 4) and any opinion that the employees' representatives may wish to present.

Consultation under the first paragraph of this Article shall take place at the relevant level of management and representation, depending on the subject under discussion.

Consultation regarding decisions under item *c* of the first paragraph of Article 4 shall take place with a view to reaching an agreement on the decisions.

Article 6

Agreements on information and consultation.

Provisions may be made in collective agreements, or agreements between the employer and the employees' representatives, on the structure and implementation of mechanisms for information and consultation within undertakings; as appropriate, deviations may be made from the provisions of Articles 4 and 5, providing that the aim of this Act (*cf.* Article 2) is observed.

Article 7

Exemption from obligations regarding information and consultation.

Employers shall not be obliged to provide employees' representatives with information or to engage in consultation with them if the information is, according to objective criteria, of such a nature that this may cause serious damage or disturbance to the activities of the undertaking.

Article 8

Confidentiality and non-disclosure obligation.

On the grounds of the legitimate interests of the undertaking, employers may impose a confidentiality requirement on information that they provide to the employees' representatives.

Employees' representatives, and any experts who may assist them, may not reveal to the employees or other persons confidential information under the first paragraph of this Article. This non-disclosure obligation shall remain in force even after the expiry of the terms of office of the persons concerned.

Article 9

Protection of employees' representatives.

Employees' representatives shall enjoy the same legal protection as shop stewards enjoy under the Trade Unions and Industrial Disputes Act, No. 80/1938, and the Civil Servants' Collective Agreement Act, No. 94/1986, in connection with the work they undertake under this Act.

Article 10

Punishments.

Violations of the non-disclosure provision of Article 8, involving the disclosure of confidential information to a third party, shall be punished by fines unless heavier punishments are provided for in other statutes.

Violations of Articles 4, 5 and 9 of this Act shall be punished by fines.

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¹⁾ Act No. 88/2008, Article 233.

Article 11

Implementation of an EC directive.

This Act is passed in order to implement Council Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002, establishing a general framework for informing and consulting employees in the European Community, to which reference is made in item 32 *f* of Annexe XVIII to the Agreement on the European Economic Area, as amended by Decision No. 172/2002 of the Joint EEA Committee.

Article 12

Commencement.

This Act enters into force immediately.

Interim provision.

Notwithstanding the provision of the first paragraph of Article 1, the scope of this Act shall be restricted until 1 March 2008 to undertakings in which an average of at least 100 persons are employed.

*[This translation is published for information only.
The original Icelandic text is published in the Law Gazette.
In case of a possible discrepancy, the original Icelandic text applies.]*